

Christian Order

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Two Kinds of Violence

A CYNIC would say that violence is generally praised when our enemies bear the brunt of it, and loudly condemned when we or our friends are on the receiving end. Thus when the Czechs were invaded by the Russian, Polish and East German tanks the vast majority in the west said that the Russians had committed an atrocious crime against freedom. The Czechs suddenly found friends in the most unlikely quarters. And if they had resisted with all the force at their disposal they would have received unqualified praise. The cynic would also have noticed that nobody thought it odd that the soldiers of the invading armies slept in the fields while the citizens of the invaded country continued to sleep in their beds.

The cynic, who is often an embittered moralist, would have drawn a further moral from the fact that the students of Paris, and the Renault workers, as well as the Negro rioters in Watts, Miami, and Chicago received no support or encouragement from those who sympathised with the Czechs. The western democrat would reply that in a democracy violence is ruled out because there are proper parliamentary procedures for pushing through urgently needed reforms. He would add that experience has shown that revolutions and uprisings only create fresh wrongs where they do not spawn forth a more voracious type of man-eating shark.

While agreeing with the democrat, it would be relevant surely to ask what democratic procedure is open to the

Negro in the suburb of Watts that will give him even a dim prospect of a better life say within ten years. If there is no such democratic procedure, do we not have to affix the blame for the violence on the conditions which, under the cloak of law and order, perpetuate for decades a cruel and inhuman disorder? Can we with a clear conscience uphold the use of violence to put down violence in order to maintain a system which holds down 30 million people below the poverty line in the richest country in the world?

The responsibility for violence is thus clearly not only on those who use it but also on those who will not lift a finger, or raise a voice, or preach a sermon, or write a word, or cast their votes in Congress or the House of Commons to put an end to the conditions which make its use inevitable. Christians are under orders not to kill but to love and convert. They are not under orders to preach hypocritically, on full stomachs and not insignificant bank balances, the necessity of resignation to those who can barely keep alive on the wages they are paid. Surely it is not ignorance which produces a lecture, or the riot police, to quell a disturbance and does not even produce a whisper about the slums of Watts, Glasgow, or Notting Hill.

There has been talk and editorials on the "theology of revolution" when in fact what Christians ought to be talking about is the selfishness and stupidity which is holding up urgently needed reforms. If there are not swift and radical changes in Latin America or the ghettos of England and America no amount of sympathetic noises and pious resolutions is going to stop the violence. Nor in the long run will the riot police. Poor people all over the world are now convinced that their suffering is totally unnecessary. You just cannot tell them that there is not enough food when Congress paid out 655 billions to farmers in ten years for not growing food. They are not fools though their masters think they are. We can therefore all agree that violence is evil, and especially when it is called out in defence of social injustice crying aloud to heaven for urgent remedy. We must not kowtow any longer to bewigged and robed illegality and disorder just because it happens to be established.

In the revolt against religion being confined to the sanctuary we have gone too far and many speak and write as if the practice of religion had nothing to do with the sanctuary. We were commanded, however, to love God and to love our neighbour.

The Irrelevancy of Religion

H. W. J. EDWARDS

SOME time ago in this periodical I dared say that, if I became exasperated beyond measure at the antics of liberals, I would contrive to write in defence of the irrelevancy of religion. Of course, that was meant to be hyperbole; and I believe the context will show that to be so. Nevertheless there is a place for hyperbole.

Long before the advent of new heresies such as religionless christianity, I had noticed the marked tendency among liberals to deny the distinction between what is secular and what is sacred. Expressions such as "the common life" became quite rife among both Protestants and Western Catholics. In a possible protest against "sanctuary religion" the heretics over-emphasised the truth that all life belongs to God. Before long it was possible to discern the drift of this heresy. It is a drift towards "the one world". Nothing is sacrosanct. Human life, say the heretics, involves not two worlds but one world into which the word of God has penetrated. There need be no distinction between what old-fashioned folk call the natural and the supernatural. The stage is set for what Vidler, the Cambridge heretic, glorifies as "holy worldliness". This means, writes Vidler, "living with men and serving them in all those areas where Christ is never named or where he is named only to be misunderstood or reviled."

Nothing less than Perfection

Vidler has been answered by that remarkably orthodox Christian, the late C. S. Lewis: "One must, however, walk

warily, for the truth that religion as a department has really no right to exist can be misunderstood. Some will conclude that this illegitimate department ought to be abolished. Others will think, coming nearer to the truth, that it ought to cease to be departmental by being extended to the whole of life but will misinterpret this. They will think it means that more and more of our secular transactions should be opened with prayer, that a wearisomely explicit pietism should infest our talk, that there should be no more cakes and ale. A third sort, well aware that God still rules a very small part of their lives and that a departmental religion is no good, may despair. It would have to be carefully explained to them that to be 'still only a part' is not the same thing as being a permanent department."

Of course, the ideal is that all a man's life should be given over to God. But only too often there is a special kind of heretic — the Pelagian affords an early example — who not only calls for this perfection but will not settle for anything less. That even the saint fights against his soul's enemies on a wavering line unfixed by agreement testifies to the line of actual demarcation between God's part in us and the occupied enemy land.

Sunday Religion

Of course, it is not really surprising that this One World heresy has arrived in the Protestant world which has suffered as the Catholic has not suffered from "Sunday religion". There is the story of a grand old Welsh minister who used to be called out to end fights between local Carmarthen folk. One Saturday evening he was called out to find that one of the contestants was one of his own chapel deacons. When the minister called on him to stop, he answered: "Na, na, Mr. Thomas; politics heddiw, crefydd yfory". (No, no, Mr. Thomas, politics today, religion tomorrow", a sign that the fight was about the Welshman's third favourite subject.)*

I have a fellow-feeling for the deacon, and I am no Welsh Free Army zealot. I believe that it is real politics occasionally to behave violently. There are, of course, prerequisites. For what it is worth I am hostile to those who behave

* The first two are football and boxing. 4th is religion.

violently over political ideas as such or about wars that relate to those ideas. People who shout about the war in Vietnam and who glorify the Vietcong are, as I know full well, expressing their political ideology. But a society which defends its land against any invader, however camouflaged, defends a thing not an ideology. Perhaps I have oversimplified that. There is an ideological character common both to the demand for, say, the four freedoms, and national security. But the latter shows an immediately recognisable relationship to concrete political aims. Slogan-sounding words like justice, self-determination, peace, collective security have an abstract generality about them which a left-winger interprets in his own way, often by some technique of inversion. When a Welsh farmer objects to being forced to sell his land to a corporation in England which wants water for its swelling industry (not, by the way for domestic consumption), the Welsh farmer resists and he is backed by a growing number of Welshmen who see a dozen Welsh valleys becoming artificial lakes surrounded in the summer by gaping trippers from Birmingham and Liverpool.

But when his resistance takes a violent form, be sure that he will get no support from the infantile leftists who roam about London abandoning themselves to a falsely altruistic frenzy over the sorrows of a people of another race and culture. But all this is to suggest that a very large number of well-intentioned people who prate of "life being one" do not see very near their own earth-patch. That is why One Worlders always preach up nationalism in Africa (if there is any genuine nationalism there) and Asia (same comment), and are either ignorant of or indifferent to or hostile to nationalism close at home. They who hold that we ought to be most diligent about our common life will not see it at Clywedog or Tryweryn and do see it near Hanoi and Memphis.

The Common and the Community

That is only a partial digression, even if it comes naturally from one whose point of departure is near Tonypandy and not London, South Bank.

Meanwhile we shall see that the advocates of "the common life" always demand that their One World shall be so constituted as to make what they call religion, that is, "prayer and the mystical vision" (Wren-Lewis), subordinate to the secular life which is what they mean by common experience. In the hands of Bishop Robinson the doctrine involves the Lord's Supper, a lovely name which I as an old Evangelical am glad the Mass is called on one day in the year. Bishop Robinson has complained in *Honest to God* that holy communion becomes a religious service in which we turn our backs on the common and the community and in individualistic devotion go to make our communion with 'the God out there'.

Once again there is an important truth in the exaggeration. Individualistic pietism has been sufficiently trounced by the most orthodox to make it unnecessary for the heterodox to bother. But there is an ambiguity here. Bishop Robinson writes of "the common and the community".

The "Common Life" heretics use "common" in one sense. They do not mean the common life of the Church but rather the common life of their secular man. Bishop Robinson gives us "the common and the community". It is not clear what community he has in mind.

But he goes on to say that the purpose of worship is not to retire from the secular into the world of the religious let alone to escape from "this world" into "the other world" but "to open oneself to the meeting of Christ in the common".

We ought to notice here the impact of a western mood which is arbitrarily said to be extended throughout the world. To the extent that this mood is so extensive, it is due to western imperialism which I abhor as much as any Red, but for vastly different reasons. Bishop Robinson has discovered that he lives among vast numbers of Philistine materialists who represent "the common". He wants to do them a good turn, and like so many pious parsons determines to make his friends among the faithless.

If, however, he lived in a different mental climate, he would find that "the common" is not like that of his

diocese. A sub-continent such as India is so pervaded by a sense of religion that, if anything, the secular is felt to be subordinate to the spiritual. In some cultures men may be found who are more sure of their souls than of their bodies. Indeed, some years ago I met a Catholic of the rite of St. Thomas in southern India who was aghast at my materialistic mood. For him "all these things are shadows". I suspect that in this he mirrored what is still normal in India.

To Bishop Robinson even the anglican conception of holy communion has become gravely attenuated.

Man ought to Worship

And I notice that an anglican, Leon Morris, spots this when he writes in the *Abolition of Religion* that he does not see what Bishop Robinson means when he writes that holy communion is a proclamation to the Church and to the world that the presence of Christ with his people is tied to a right receiving of the common, to a right relationship with one's neighbour, unless that he means we receive Christ in the common life or we do not receive him at all. "The Holy Communion appears, from Bishop Robinson's view, to be a way of setting forth this truth symbolically. The idea that the Holy Communion is in itself a means of drawing near to God is firmly rejected". (Morris, by the way is of the Evangelical school.)

Morris continues: "This fails to reckon with the line of scriptural teaching that man ought to worship. It is set forth in the well known words of the Venite. 'O come, let us worship and bow down. Let us kneel before the Lord our maker' sings the psalmist. But the psalmist, when he comes to give the reason for this, says nothing about the common life or the like, but simply, 'for we are the sheep of his pasture and the sheep of his hand.' Ultimately, there is no other reason for worship. Worship is acknowledging the worthship of God".

Another approach to this matter comes from Chesterton, who in his little book *The Catholic Church and Conversion* shows us that the Catholic Church "is the only thing which saves a man from the degrading slavery of being a child of

his age". When I first read that, I was still inclined to think that even the Church ought to be, if not in the fashion, at least suited to the fashion, though of course the fashion passes away. It is true, as G.K.C. wrote, that new religions are suited to an age. And in an excellent defence of the conservative standpoint Mumpsimus (Mr. T. Charles Edwards) has suggested that when the Church flourished with little or no heresy it suited the various temperaments which after the Change of Religion demanded that their owners be Anglicans, Evangelicals, Calvinists or Quakers.

A Creed to Fit a Mood

But the new religions because they are suited to the world in which they arise have newness as their damning defect. Wrote G.K.C., "They all profess to be progressive because the peculiar boast of their peculiar period was progress; they claim to be democratic because our political system still rather pathetically claims to be democratic; they rushed to a reconciliation with science which was often a premature surrender to science. They hastily divested themselves of anything considered dowdy or old-fashioned in the way of vesture or symbol. They claimed to have bright services and cheery sermons; the churches competed with the cinemas; the churches even became cinemas."

Chesterton then makes this very telling observation :

"We do not really want a religion that is right where we are right. What we want is a religion that is right where we are wrong. These people merely take the modern mood and then require any creed to be cut down to fit that mood. But the mood would exist even without the creed. They say they want a religion to be social when they would be social without any religion. They say they want a religion to be practical, when they would be practical without any religion. They say they want a religion acceptable to science when they would accept the science even if they did not accept the religion. They say they want a religion like this because they are like this already. They say they want it when what they mean is that they could do without it."

"It is a very different matter when a religion in the real

sense of a binding thing, binds men to their morality when it is not identical with their mood. It is very different when some of the saints preached social reconciliation to fierce and raging factions who could hardly bear the sight of each others' faces. It was a very different thing when charity was preached to pagans who really did not believe in it; just as it is a very different thing now when chastity is preached to new pagans who do not believe in it."

Detaining Emotions

It may at this point amount to a digression to comment upon the present preaching upon charity and chastity. I am now past being amazed or shocked on reading that some parson has in some manner suggested that an adulterous or even a homosexual relationship may be allowed because it contains some element of "love". In my tongue there are two words for love, "serch" and "cariad". The former, which is occasionally used analogically of holy love, is yet "carnal". I should be more clear about this "carnal". When Bernard of Clairvaux wept on the news of his brother's death, he declared that his sorrow was "carnal". And so it was. It was not, as Bernard knew, a base sorrow. But it was an emotion which the sweet rigorist knew to be a detaining emotion. One notices two of our great national writers, one a Calvinist hymn-writer and the other a Catholic playwright, who have both sharply distinguished between a love that depends upon the flesh and a love that is other. Pantycelyn has written that the man who dares prefer the fair face of a maid to the Face bathed in sweat in the Garden sins. Saunders Lewis, the Catholic, has written that to marry out of sheer concupiscent desire is a kind of adultery. This, once again, is a probable exaggeration, and one, I suspect, which has to be understood by the people who speak the language of Pantycelyn and S.L. But exaggeration it is of what has to be said in some manner, even at the risk of being accused of jansenism.

All this is hardly more than to say that religion is religion,—that it has a specially binding force. It is by definition not "easy". I am well aware that this view is not nowadays

popular among my fellow Catholics, who would cite the excellent discipline of the gentle St. Francis of Sales against me, as if that great saint did not, in fact, use the steely discipline of the Catholic religion to destroy his choleric temper. But, of course, the Bible is full of "religion" in this special sense of imposing strictures. A man must be ready to cut his arm off rather than go to hell whole. He may have to "hate" all his relations to save his soul. The Church does not and cannot come before the world and speak well of its custom. The world is always and inevitably Vanity Fair.

That is why a Catholic film actor or TV personality or bookmaker really is hard put to it. For all I know he may become a saint. With God all things are possible. But some occupations and careers really are so "of the world" that it is not surprising that the primitive church demanded that converts leave them. It seems that Tertullian was doing little more than restate the old rules when, for example, he taught that a Christian should not sell incense lest it be used to savour pagan temples.

Credo does not Mean I Behave

Of course, all this is relevant in the special sense of being a nuisance. The Christian faith is relevant when it teaches that fornicators will not inherit the kingdom or that sharp practice in business is just as bad as fornication. But that is not what people mean when they talk about the relevancy of religion. They mean that it will clap the fornicator on the back and shake the hand of the slick business man and say, "You evidently give great evidence of your affection and you do not hide your talents".

Even though one admits relevancy in this way, it still remains that a vital element in religion is outside the domain of behaviour. It is now rather stale to say that far too many people talk as if Credo means I behave. All the same, this is what Credo does mean for us, at least for us who belong to the western world. I am no reader of the Russians but I recall reading one story of a really bad Russian who was yet deeply religious. I was greatly offended

(scandalised as we Papists say) on reading that. But I believe the story was not without a moral. Some years ago I met a Byzantine monk who talked much with me about the occidentation of my Catholic faith. "You people are over concerned", he said, "with soteriology. And you worry far too much about doing this and not doing that." For him and not too small a proportion of Catholics who inherit the tradition which was his, religion has first to do with the worship of God, an action which brings in what the Lutheran Otto has called "the numinous".

The Byzantine tradition sheds an additional light upon this western heresy of demanding the One World which is necessarily the "natural" world. That tradition which is faithful to the apophatic mood of its early fathers will not even suggest that we may speak of God as He is in Himself by giving Him designations, definitions or statements of an affirmative kind. It will not allow the Byzantine to talk of God as a nature, "for", as Gregory Palamas, who wrote in the tradition of St. Gregory of Nyssa, wrote, "if God is a nature then no other thing is a nature. But if all others are natures, then God is not a nature. He is not being if other things are beings; but if he is being, then other things are not beings".

This does not mean that God as He Is in Himself lacks the content of these notions, that he is inferior to being, but that as the Creator of being, He is incommensurate with it and infinitely transcends it. The Byzantine theologian tends to use negative expressions—hidden, unproceeding, ineffable, unmanifested and non-outgoing. How he squares this with the fact of the Incarnation is quite another matter, and all I must say here is that he does square it quite satisfactorily by God's exteriorisation.

Worship and Good Works

The One Worlders have quite evidently not taken any notice of this important Christian theological tradition, for they always conduct their case upon the natural-supernatural theology of the West. Now I come to think of it, the Serbian arch-priest in London writing upon *Honest to God*

in *Theology* politely suggested to Bishop Robinson that he might have taken some notice of the non-western apophatic theology, which, however, has not been altogether absent in the West.

Before I leave the Byzantine aspect, I ought in sheer justice to defend it against any possible suggestion of solifidianism — as if, although religion means supremely the worship of God, it ignores good works. The first book I read of Soloviev was all about almsgiving. And there are all kinds of pious Byzantine stories of men who in giving to beggars have given to the Lord Christ. Perhaps that is why when a beggar receives alms he blesses himself as if he were a living eikon of the Lord. I ought, moreover, to emphasise that although Byzantine Christians have not failed in missionary enterprise, their concept of “catholic” is not imbued with extension. “Catholic” means “right belief” (“orthodoxy” to the Byzantine very pedantically, as we would think, means “right worship”). It follows that Byzantine and for that matter other non-western Christian traditions do not have our western expansionist attitude to the Church. They see its catholicity in depth rather than in breadth.

There is, of course, within religion an apparant irrelevancy which for many remains one of the most irritating elements in it, — the note of silence. Throughout this article I have suggested that what I have dared call irrelevancy is so only in the sense favoured by those who demand that religion shall provide answers to problems and situations. But there is an answer it so often gives, the answer of silence. It is prefigured by that strange action of our Lord in writing something on the sand which swiftly blew away. And then when He told a large crowd at the height of his popularity about eating his body, he refused to explain. Perhaps all this is suggested by the words, “truly Thou art a hidden God”.

CURRENT COMMENT

Man cannot live by bread, that is property or money, alone. These only enable him to fulfil his true destiny which is to develop as a true human being. You can be well fed, secure, your health carefully looked after and yet be no more than an animal in a Zoo. The Church condemns the political slavery of any totalitarian form of government just as much as she condemns the economic slavery of capitalist abuse because man remains a slave under either situation.

Church, Man and Society

An Introduction

(II) The Economic Angle

THE EDITOR

EMLOYERS as well as governments can exceed their powers and oppress the citizen, seeking to control his life in their own interests, instead of encouraging him to manage it responsibly for himself. When they do so their method is not so direct as that employed by the slave master. To see why, something needs to be said about the material conditions of a man's life.

Grim Task of Survival

Because he is a person made up of body and soul, the whole of a man's individual self — and, in consequence, his behaviour as a human being and his service of God — is closely affected by what happens to his body. His conditions of work, how he is clothed, housed and fed — these things closely affect his whole person and, therefore, his purpose in life, which is to serve God in a human way through the exercise of his human powers. So closely, in fact, do they affect the life of the normal man that, if he is deprived of

them to the point of real need, God's purpose for him remains unfulfilled owing to his inability to serve God as he should. This is so because poverty, ill-health and bad housing conditions can blunt a man's human powers and prevent their flowering owing to the fact that what we sometimes call inhuman living conditions force him to confine their use to little more than the grim task of survival. Under such circumstances, he is harassed by want to the point where his condition is very like that of a drowning man, who is forced to devote the whole of his remaining strength to the business of trying to keep alive and who, in consequence, has neither time nor opportunity, nor energy for anything else. It is very much the same with the man who is the prey of bad social conditions: because he is subjected to them he is denied a sufficient degree of freedom to choose, responsibility to decide and independence to act in his own right after the fashion of normal men and women. He is, in other words, the slave of economic circumstances and it is evil that a man should be a slave because he is born free and responsible and meant to act that way if he is to achieve his destiny as a human being. To thrust any other mode of life on him is to degrade him, to turn him from his purpose in life and to strike, thereby, at the author of that purpose, who is God himself.

Pope Leo on Industrial Evils

This is what those employers do (and did) who abuse their position of power in a capitalist system to thrust unjust conditions of work on those whom they employ. Long ago their irresponsible conduct was condemned by Leo XIII when he referred in a famous passage of his encyclical *Rerum Novarum*, written in 1891, to that "... small number of very rich men (who) have been able to lay upon the teeming masses of the labouring poor a yoke little better than that of slavery itself". Leo saw growing up around him a new world of factories and machines; he saw the men and women working in those factories and at those machines and he saw that it was difficult, at times almost impossible, for many of them to live truly human lives. Their wages were low

their conditions of work were bad; their houses were hovels; they had no property. All their energies were given to the task of trying to keep alive, in the same way that all the energies of a drowning man are given to the task of clinging to a piece of timber that is just sufficient to keep his head above water. Thus they had no time; they lacked the opportunity; they were not free, that is, to do anything else like choosing between one job and another, enjoying the work they did, spending evenings at home with their families, saving enough out of their wages to enable them to build up a holding of property for themselves and their children. They were the prey of inhuman conditions of work and the employers who imposed those conditions on them controlled their lives. The chattel slave of old was in the grip of (owned by) his master to the point where he was completely deprived of responsibility for his own actions. The wage slave of Pope Leo's day — and still too often of our own — was in the grip of (owned by) material conditions rightly classed as inhuman because constricting almost to zero the opportunity of human (free and responsible) action belonging by right to those who suffered under them. It was for this reason that Leo XIII condemned the abuse of capitalist power that reduced so many workers of his own day to the near equivalent of old-time slavery. He could do nothing else for, as Vicar of Christ on earth, he stood for the truth and the truth about man is that he is free. Pope Leo condemned industrial evils not for what they were, but for what they did to those who suffered under them. They were condemned *because* they enslaved the workers by striking at their right to make their own way forward in freedom under God.

Misuse of Capitalism

To twist what has been said into a sweeping condemnation of the capitalist system as such would be pure distortion. For that system is not evil in itself. There is nothing wrong in a system under which some men own the means of production (factories, mines, businesses and stores) whilst other work for them. What is wrong is the action of those who abuse

their position under such a system—employers, for example, who treat their workers in the manner described above. Unfortunately, there are still far too many of them in existence today. Their casual ruthlessness has thrust poverty on so many.

At the same time, it must be remembered that the existence of poverty in the world is not due solely, or even primarily, to the abuse of private economic power in a capitalist system. It has numerous other causes that can be cleared away slowly and only with the greatest difficulty. Such work takes time. The fact, however, does remain that the casual ruthlessness of many capitalists has deprived thousands of the light that should be in their lives, that such action is reactionary, sinful, the evil fruit of materialism; that, to no small extent, the present empire of Communist success is the measure of capitalism's sinful deficiency before God and man.

Government is not wrong in itself, but it can act wrongly by abusing rightful powers. Capitalism is not wrong in itself, but employers can act wrongly by abusing their rightful authority. When they do so, they, like wrongful governments, will find themselves up against the Catholic Church. The Church must be interested in the material conditions of every man's life because his service of God is in her charge and he cannot easily serve God if he is deprived of that decent material sufficiency, which is his by right because necessary to his service of God. The Church, we have seen, has the right to intervene against a political or social order under which slavery (or an approximation to its equivalent) is imposed directly on a people. In the same way, and for the reason just given, she has the right to intervene against an economic system, which imposes slavery indirectly on a people, because, under it, they are denied that material sufficiency which is theirs by right. Her concern in each case is that men should remain free to assume responsibility for their own lives as a means to their service of God. Negatively, therefore, she has the right to protest when men are not allowed to remain free. Positively, she has the right and duty to advocate an economic order in which all will be able to earn a sufficiency in freedom.

Church accused of "Interference"

It often happens that, when the Church protests against an economic situation that turns the worker into an economic slave, she is accused of "interfering" with business. In the same way, when she protests against a totalitarian political order that turns the citizen into a political slave, she is said to be "interfering" with politics. In fact, she is doing no such thing. In each case, as the defender of human dignity, she is protesting against those who are interfering with God's plan for mankind by putting on their fellow-men conditions which make it difficult, sometimes almost impossible, for them to serve God. When she takes such action, she is no more failing to mind her own business than a householder is failing to mind his when he chases away a burglar caught in the act of robbing his home. Under such circumstances, it is not the householder who is failing to mind his own business, but the burglar who is failing to mind his. It is exactly the same with the Church when she protests against employers who treat their workers unjustly and politicians who oppress their people. She is not interfering with their business when she does this. It is they who are interfering with hers.

"Odious and Intolerable Bondage"

By way of conclusion, it is necessary to consider a point of importance. A short discussion of it will enable us to see more clearly the wrongfulness of the kind of social materialism discussed earlier on. The point can be put in the form of a proposition: to condemn the evils flowing from the abuses of capitalism is not to approve thereby of any particular method used to remove them. Leo XIII showed his complete awareness of this when, after having attacked the abuses of capitalism in *Rerum Novarum*, he proceeded, in the same encyclical, to attack the European Socialists, who were the social materialists of his day. Leo would have nothing to do with them. To understand why, it is necessary to realise that Leo XIII attacked bad economic conditions not because of what they were in themselves but because of what they *did* to the men and women who had to submit to them. Such

conditions, he said, were evil *because* they enslaved. That is why he condemned them. That is why, against those who sought to impose bad economic conditions on others, he upheld a man's right to a reasonable standard of living. Such a standard, he argued, was essential to human freedom. Therefore, he demanded it for every man. Man has a right to a material sufficiency in order that — and only in order that — he may be enabled to make his own way forward in freedom under God.

It follows at once from Pope Leo's argument that it is both foolish and wrong to deprive men of their freedom in order to give them a sufficiency. There is neither logic nor morality in a system which gives men a material sufficiency at the price of taking away from them that freedom to manage their own lives which is the only real basis of their claim to a sufficiency itself. Yet, that is what the European Socialists set out to do and that is why Pope Leo condemned them: their system, he said in *Rerum Novarum*, doomed men and women to "odious and intolerable bondage". This was enough for one who had in his care the defence of the freedom of man. Even if Socialism had brought to all a sufficiency, Leo XIII would have continued to reject it as an insult to human dignity and freedom. For the end does not justify the means and social reform, in consequence, is not to be seen as the mere provision of all with a material sufficiency: it consists, rather, in the establishment of a Christian way of life. Material goods have a great part to play in this process, but never in such a way as to curtail the rightful claims of human dignity. Pope Pius XI made the same point clear in the encyclical, *Quadragesimo Anno*, which he wrote in 1931: "For according to Christian doctrine man, endowed with a social nature, is placed here on earth in order that, spending his life in society, and under an authority ordained by God, he may cultivate and evolve to the full all his faculties to the praise and glory of his Creator; and that, by fulfilling faithfully the functions of his trade or other calling, he may attain to temporal and eternal happiness. Socialism, on the contrary, entirely ignorant of and unconcerned about this sublime end, both

of individuals and of society, affirms that human society was initiated merely for the sake of material well-being”.

There is much to think about in all this, for there is in Britain as well as in the underdeveloped countries an energetic eagerness to meet the claims of social justice. In many cases, it is sincere and highly to be commended. The danger is that the energy may be misplaced; that men, because of their materialism, are setting about social reform the wrong way. It must never be forgotten that the reasonable standard of living which social justice would secure for every man, is only a *means to an end*. Man has a right, that is, to this standard only as a help to enable him to develop as a true human being; and such development, we have seen, can only be through the exercise of his essentially human powers of understanding and will. Therefore, it would defeat the purpose of social justice if the material sufficiency, which man claims in virtue of it, were purchased at the price of sacrificing those characteristically human methods of action whose development is meant to be assisted, not suppressed, by the establishment of a reasonable standard of living for all.

The true purpose of social justice would be defeated, for example, if the State stepped in to do everything for its citizens, giving them enough to live by, giving them security, but robbing them in the process of that opportunity of acting in a free, responsible fashion, which is the prerogative of *human* nature. Under such circumstances, men might be better off materially, but they would be worse off as persons than they were before: yet, how they stand *as persons* is the thing that counts. They might be better fed, but man does not live by bread alone: if he did, we had better all become Communists. They might be more secure, but so, too, is an animal behind bars in a zoo. And since man is a human being meant to act freely, he may not be treated like an animal and put behind bars even if, by so doing, he were to be made the healthiest being alive. The political slavery of any totalitarian form is no substitute for the economic slavery of capitalist abuse. Man remains a slave under either situation and the Church's case against each is on this ground.

The crisis in the cities caused by hunger, homelessness, rotting slums and unemployment, the war in Vietnam, and what the Democrats and Republicans say on these issues are set forth in this well-documented article by
E. L. Way.

The American Election

Small Men, Big Issues

E. L. WAY

AT the moment of writing the air is heavy with doom for the future of the Democrats. The sentiments of Arthur Miller, playwright and delegate from Connecticut, echo on every side. "Frankly," he said, "I'm still in a state of shock. Not only for the obvious reasons — the slaughter that took place down-town — but also because there was a time when the convention came to its feet and seemed to be touched, to be moved by the things we have discussed in the past few days. But then Congressman Hays from Ohio made a speech from the podium which seemed to take everything back to where we had started, which had all the delegates together in a very different way. There is a kind of aged bitterness up on that platform, a refusal to say 'These are our children, these are our problems'." So much for the moment for the "politics of happiness" which is Humphrey's slogan. But life goes on, memories are short, and a nation that coped with the murder of the two Kennedys will not dwell too long on the revolvered, truncheon-swinging, helmeted police with their tear-gas grenades, their irritant sprays, and their vehicles festooned with barbed wire. "Overkill at Chicago" is the line being adopted by some of the American papers. Mayor Richard Daley, they say, had to preserve order, "but most objective observers will agree that he was guilty of serious overkill." He had to preserve the convention from total disruption but he could have "done

it by barricades rather than by beatings". If the protesters had infiltrated the stockyards far worse events might have taken place than the sordid scenes at the Conrad Hilton Hotel. These were prevented.

And there was the 'small' riot at Miami just as Nixon received the nomination of the Republican party. Stone throwing and looting took place, at least a dozen windows in 62nd Street were badly damaged, several persons were injured, and a CBS soundman was hit by a rock. Black anger had erupted because only 1.05 per cent of the voting delegates were black. They did not want a 'lily white' convention. They also wanted jobs, black businesses, training, and good housing. The paddy wagons wheeled off with a 100 arrested persons.

Disgusting and Horrible

Vice-President Humphrey's nomination was badly tainted by the violence which surrounded the democratic convention. Coming so swiftly after the tank invasion of Czechoslovakia by the Russians and their satellites it horrified the friends and delighted the enemies of the American people. It was disgusting and horrible. But the Americans are a tough and resilient people. They have only recently emerged from a brutal struggle with their frontier past. The last survivors of the Donner party died as recently as the 1920s, struggling through the Sierras in deep snow they were in such a terrible state that they were forced to eat their dead children. The Americans have had to cope not only with the first amalgamation of all the races in the world on a continental scale in the broad daylight of history, but have also to resolve the pitiful aftermath of slavery. Added to this they must eventually rid themselves of an economic philosophy which has been repudiated, in theory at least, by the civilised world: a philosophy which states that each man must stand on his own feet, and Skid Row, the ghetto or the gutter take the hindmost. The reverse side of toughness and resilience is callousness. And this is observable in many aspects of American life. The following question though intelligent and factual is lacking in feeling. "Suppose the 1968

election is over and the victorious party is rejoicing. But suppose an assassin kills the victor the day after the election. Who becomes president? The Constitution doesn't say. No constitutional amendment in all these years has filled up this gap." I wonder if a psychopath has read that and filled in a mail-order form for a rifle with telescopic sights?

The Issues

The issues before the American people on November 5 can be briefly stated. Ignoring the razmataz, most of the responsible journalists, the 'White House regulars', the experienced political specialists seemed to be agreed that the Democrats and Republicans will this autumn offer very similar programmes to the electorate from different points of view. Since the depression of the 1930s there has not been such a drawing together of the two great parties. The Democrats can say that it was their party, led by Roosevelt, that brought America into a world which is at least aware of its social obligations. The people should trust them to carry on with the job. The Republicans are saying that it is time for a change. The Democrats are stale. They have for eight years been piling experimental legislation on to the books, and the resulting programmes are in a shambles of blunders and mismanagement. Everyone is sick of the Democrats, it is time for a new team to take over. The political specialists who cover the presidency month after month, and who read the Republican hand-outs recognise in these hand-outs the statements of policy made by democratic presidents. Many of the Republican plans were submitted to Congress by Kennedy or Johnson and were voted down.

This can be explained as catching 'the Whigs bathing and walking away with their clothes.' Or it may be that the party shibboleths have been rendered meaningless by the determined and prolonged revolt of the underprivileged in places like the slums of Watts. (The latest outburst in the Watts suburb of Los Angeles occurred on August 5. A gun battle broke out between the police and a car full of Black Panthers. Three negroes were killed and two policemen

shot. A crisis coalition was formed but while it was preparing a protest the trouble started. Before the night was ended 3 were killed and 41 injured including 6 policemen. Negro leaders and police agree that "the rage isn't assuaged, only pushed simmering again under the surface." In Texas 40 negro soldiers were arrested because they refused to be drafted so as to beat down black protesters at the Chicago Democratic convention.) The two issues of greatest importance in the election will be the crisis in the cities, and the war in Vietnam.

Crisis in the Cities

The crisis in the cities is caused by bad housing, hunger, and unemployment. According to the 1960 census out of 58 million occupied dwelling units 15.6 million were sub-standard. There were amongst these 'occupied dwelling units' some 3 million shacks, hovels and tenements. Another 8 million units were falling to pieces and another 4 million which were, though structurally sound enough, lacking some or all the essential plumbing aids necessary for the most elementary standard of comfort. The figures took no account of structures which were not falling down but were crammed full of human beings. The ethnic slums of the past, full of zest and hope, have given way to the new slums full of those who are classed as failures, people without roots, and without hope.

The hunger has been proved. The 100-page document, *Hunger U.S.A.* was prepared by the Citizens' Board of Inquiry into hunger and malnutrition. There are 256 'emergency hunger counties' stretching right across the length and breadth of America. There are more than 10 million hungry Americans. 'Many eat laundry starch and clay to fill out their inferior diets.' The situation is worsening.

The job situation is also bad. According to reports of the Labour Department 2.8 million, 3.6 per cent of the labour force, were unemployed in the first half of this year. George Meany, president of the AFL-CIO, said that these statistics were wrong. He pointed out that those who had given up

looking for jobs were not counted, and tens of thousands "are so cut off from the mainstream of American society that they are not included in the officially reported regular statistics". He placed the 'undercount' at about 1.5 million. Another 1.7 million were compelled to work part-time because full-time jobs were not to be had. Meany contends that business while it must meet responsibilities of "hiring some of the hard-core unemployed," cannot be expected to end unemployment quickly enough. In the midst of the wealthiest period of American history there are far too many without jobs, and far too many poor. Mr. Abel, president of the million-member United Steelworkers, also argues that "a massive effort to erase the conditions of the ghettos and eliminate poverty and want must be undertaken whatever the cost or we will become a divided nation". How far America has already become divided can be judged by the riots and continuing disorders throughout the major cities of that country. (The need for a job and a house cannot be satisfied by tear gas and syringes of Mace.)

So far as the Republicans are concerned, organized labour is "completely, totally dissatisfied" with the plans put forward at Miami Beach. Governor Romney may have received a standing ovation from the Republican delegates when he launched his attack on "excessive collective-bargaining power in the hands of excessively powerful union and employer groups" but organized labour described the effort as "a vehemently antiunion speech". They were then looking forward to a more sympathetic hearing of their 'concept of a programme for America', and a more 'progressive' platform that they could support at the Democratic convention. This hope is echoed at every election. Meany, Abel, and Walter P. Reuther (UAW's president) all feel that many of the nation's chief problems are closely related, and that civil rights, poverty, and crime can be dealt with by 'massive efforts' on the social and economic fronts. The law and order at any price brigade — except help to those who desperately need it — have other ideas. But they won't work.

Richard Nixon confronted by the urban crisis appeals

to the South, the comfortable middle classes, and to those in the north alarmed by fire and riot. And this may be a voting majority. But this is the age of youth, and there are 29 million young voters out of a likely electorate of 70 million. (By 1972 the Census Bureau forecasts that half the American electorate will be under 30.) And it should be remembered that only 27 per cent of voters call themselves Republicans as compared to 46 per cent Democrats. In the last 36 years the Republicans have only been in office for 8 years.

Vietnam

Priests and others breaking into the local draft board and burning the files, protest marchers denouncing the Vietnam war, Yippies (the members of the youth international), doing their Aldermaston piece, nine years after the original, give one picture of the American view on the war in Vietnam. The Louis Harris public opinion polls give another: according to their findings the vast majority of Americans are opposed to calling a halt to the bombing of the North. (Opposed to such a move — 61 per cent, for it — 24 per cent, with 15 per cent uncertain.) Also rejected, by 52 to 27 per cent, was the possible inclusion of communists in a future government in Saigon. It is therefore hardly surprising to find that the Republican and Democrat lines on Vietnam, for public consumption at any rate, are in step with public opinion as announced by the pollsters. The Democrats on this issue, as on others, find themselves in a dilemma. They can hardly admit that their administration under Johnson has been seriously wrong and ask for another four years in office. This is the explanation of much fine figure skating on very thin political ice which amuses or depresses one according to temperament.

On whether the bombing should end, the Democratic committee state: "Stop all bombing when the action would not endanger the lives of our troops in the field. This action should take into account the response from Hanoi." On this issue the Republicans are coy, and make no definite statement. They confine themselves to pledging "to develop a clear and

purposeful negotiating position”.

On the immediate military action that should be taken the Democrats “reject as unacceptable a unilateral withdrawal of our forces which would allow that aggression and subversion to succeed”. The Republicans here also keep discreetly quiet. On the Paris Peace talks both parties will continue vigorously to negotiate while suspecting that Hanoi will carry on the war as soon as it is militarily convenient, and of waging a propaganda war in Paris.

On the de-Americanization of the war the Democrats are going to “accelerate our efforts to train and equip the South Vietnamese Army so that it can defend its own country and carry out cutbacks of United States military involvement as the South Vietnamese army are able to take over.” The Republicans say much the same thing adding the criticism that the Johnson administration has been tardy in training and equipping South Vietnamese units.

In the future, the Democrats make it clear that American economic or military assistance in Asia will be selective. “We will resist the temptation to try to mould the world, or any part of it, in our own image, or to become the self-appointed policemen of the world.” The Republicans are equally certain that they do not “intend to conduct foreign policy in such a manner as to make the United States a world policeman. However we will not condone aggression or so-called ‘wars of national liberation’ or naively discount the continuing threats of Moscow and Peking. American interests are better served by cooperative multilateral action with our allies than by unilateral United States action”.

Summary

The election is going to cost the equivalent of £150 million in sterling. With a conservative tide flowing it may be that Nixon will reverse the decision passed against him last time. Riot and disorder are powerful counsellors whereas the quiet arithmetic of human misery is inaudible. Nine million Americans on some kind of dole, more than at any time since the 1930s, only means taxation for some people. For what do they know of America, or of life, who

only know the middle classes? When the rioter is breaking down the door with a hatchet what does it matter to the voter that there are 30 million Americans estimated by the Government to be living below the poverty line? He is prepared to pay billions to the farmer for not growing food, he will pay millions more for the riot police, but welfare expenditure must not be allowed to balloon. It is only the young who do sit on the platform without bitterness, who do see the problems of the dispossessed as their own, and who might turn out for Humphrey. But whatever happens it will be small men tackling big issues: this is part of the human condition; the rest is sheer mythologizing. "It is a pity," wrote E. M. Forster, "that Man cannot be at the same time impressive and truthful." But small men sometimes have the power of growth within them. They measure up to their enormous responsibilities. All they need is a chance to develop. Kennedy after Cuba showed he would have developed. We can only pray God that the next president of the United States will have the principle of growth within him and that he will not at home or abroad "shut the gates of mercy on mankind".

MONTHLY REPORT

Our Story

(1) Voluntary Co-operatives in Korea

SISTER GABRIELLA MULHERIN

"HOW *did you do it?*" is a question that has come to us "from the four corners and the eight corners of the world", as our Korean friends say: from Brussels and Bangkok, from Germany and Japan, from Rome and Hong-kong, from New York to New Delhi. After six years of "doing it" we should be expected to have some ready answers, but the truth is that more went into the doing of it than one can write in a simple formula.

As someone has said so aptly, "Cooperatives are people", and that being so they, in certain places, take on something of the character of the people; they have a history — or an historical situation from which they emerged — and they reflect the philosophy and the culture of the people who form them. That being the case, we shall introduce you first to the

People of Korea and their Problems

Cooperation should be the most natural thing in the world for the human race. No one can exist alone. He needs his brother for the preservation of the lives of both of them. God made men so, with equal dignity. But somewhere along the line man forgot that his brother was as important as himself. Greed brought forth jealousy, and jealousy's ugly child was war.

The formula for peace, then, is to restore mutual respect, mutual trust and mutual co-operation. This formula for peace applies to all that concerns mankind — the individual, the family, the community, the nation and the world.

Korea was suffering the aftermath of a half-century of injustice bred of greed, of the partition of families, posses-

sions and country when in the year 1960 we gathered the first group together to study how to restore the balance through a co-operative way of life.

It has been historically true that in most of the countries of the world where a co-operative economy has taken hold it was initiated at a time when the people were in great need of a means to unite their resources for their common good.

After six hundred years of rule, the Yi Dynasty, at the turn of this century found itself unprepared to face the reality of self-defence against the aggressive designs of its neighbour, Japan. The pursuit of a policy of isolation had finally led to its fall, within and without. Traditionally the Korean people have valued peace, scholarship and independence more than anything else. They are not an aggressive people but when they are threatened they will defend themselves to death. They were not prepared for the occupation of their country by Japan in 1910 but in 1919, although unarmed and untrained, they courageously defended their dignity against the overwhelming might of Japan's police power. Men and women, young and old rallied under the cry of Independence. Although physically overcome—men, women and children were sent to punishment, prisons and death—their spirit grew stronger. In 1945 when the Japanese were defeated following World War II, the people of Korea rejoiced in what they hoped would bring them their day of freedom and independence. Then they found themselves once again the victims of international injustice with their country divided and brother turned against brother in ideological conflict.

Millions left the Northern half of the country, under Communist rule, and sought freedom in the South. Families were divided, possessions lost. The poverty-stricken agricultural South had been cut off from the developed resources of the industrial North. What had been left after Japan's war effort drained the country was inadequate to support the population. All suffered. And fear walked abroad, for no man knew whom he could trust.

As with the Japanese in 1910, so with the Communists in 1945. Leaders from the ranks of the Korean people were

from that time onward hunted, beaten and buried in prisons or graves. A small number of the heroes of the Independence Movement managed to escape the country, with the hope of winning support from the free people of the world. They set up governments in exile and prepared themselves for what they firmly hoped would be a day of opportunity in the future, patiently awaiting its dawning.

Among the independence fighters was Syngman Rhee. He carried with him scars and bitter memories during his years spent in Hawaii and the United States. His ambition was to return as ruler. In preparation for this he studied and took degrees in the foremost universities of the United States. After World War I he took his cause to the League of Nations but shared the disappointment of Woodrow Wilson in the outcome of that assembly. The end of World War II and the liberation of Korea from Japan brought him his long awaited opportunity. He was advanced in years and he was elected the first President of the Republic of Korea in 1948, but the hope of youth was in his heart. During the two following years the new Republic demonstrated its will to enjoy the fruits of independence under its own leaders.

Invasion

Then the lightning struck. On June 25, 1950, when the North Korean Communist army crossed over the thirty-eighth parallel another era of flight from oppression had begun for the millions who had already, at the cost of all they owned or held dear, fled the North to find liberty in the South. Seoul, the capital city, was evacuated and a temporary war-time capital was set up in Pusan, the southernmost city of the Peninsula.

There, in the midst of unimaginable poverty, disease and fear the refugees and their citizens of the South lived and suffered. Two thousand or more of the most miserable among all crowded the gates of the Maryknoll Sisters' Clinic, located in the heart of the port-market area, to seek relief in medicine, nourishment or clothing. It was during those years of service to the refugees that all of us at the clinic

learned the depth of their need and the marvel of their patience.

Burdens bend men's backs and bow their heads. Hunger drains energy that is needed for action. Hope battles with despair. Parasites are ever ready to fatten their own flesh on the helplessness of the weak. All of this was part of the living history of the Korean people during the years that their sons and ours mingled their blood in the soil of this nation in the struggle against Communism. The decade of the Fifties tested the will of the people in a supreme effort for survival.

There were at that time about thirty voluntary agencies working among the people in the field of relief and rehabilitation. They collaborated with the United Nations agencies in channelling relief and gave their own services and resources in the common effort to assist the people in their needs, personal, communal and national.

Co-operatives

But there was something more than relief needed. Relief indeed, if continued over too long a period or with too lavish a hand, could be destructive as war for, if a man is to preserve his human dignity he must, in co-operation with his fellow-men use his own resources in the solving of his problems and the building of his nation. People needed to be brought together again, leadership developed out of the remnants of war losses in man-power and a way taught which would be productive of results through common effort. The word "co-operatives" was not infrequently on the lips of those who met to plan with and for the Korean people, but although many knew the general history of co-operation nobody then present felt sufficiently knowledgeable to teach techniques.

It was at a meeting of the heads of "home boards" and representatives from the field held with the New York staff of the American Council for Voluntary Agencies in Foreign Service that Miss Charlotte Owen who had followed the reports of the Korea Association of Voluntary Agencies since its beginning, made the suggestion that one of the KAVA staff members should go to Nova Scotia in the

Maritime Province of Canada where in a little farming town called Antigonish St. Francis Xavier University had pioneered adult education for co-operative action among the fishermen and farmers during the desperate years of the economic depression from 1928 into the thirties. I was the one invited to go for a study of the "Antigonish Way" which by 1957 had become famous throughout the world. Miss Owen personally made arrangements with the President of the University who, together with the staff of the Extension Department, extended all the courtesies and resources at their disposal to give me a "crash course", of about a hundred and twenty hours of intensive work. My travel arrangements had been made for the return to Korea and I had to get all I could while I could.

The Pattern

What is now known as "The Antigonish Movement" was initiated by two professors of the faculty of St. Francis Xavier University about 1928-30. In response to the plight of the fishermen of the Nova Scotia coastal area, Dr. (Reverend) Michael Moses Coady, a giant in physical stature and human sympathy, and his cousin Dr. "Jimmy" Tompkins who was a wisp of a man and a dynamo of energy, teamed up together and soon brought other faculty members and specialists into their planning. Illiteracy, lack of courage in the face of the middlemen who represented the monied powers, and the absence of technical knowledge for marketing their products, all united to hold these men who purchased the food and fish for the tables of the rich in bondage of poverty and discouragement. They could not go to the university so, as Coady and Tompkins planned, the university must be brought to them, and in such a way that learning would prepare them to solve their social and economic problems.

How did they go about this? They sought out the idle fishermen in their haunts, listened to their complaints and problems and then challenged them to do something about it. A challenge, if it comes from a friendly source, can in itself be a token of the faith of the challenger in the ability another

has to surpass his own estimate of himself and reach out to a higher goal. That's what it proved to be to the fishermen of Nova Scotia at that time. "Let's talk it over" led to nearby doorsteps as men sat together to listen to the skeleton ideas presented to them by the two scholars who were themselves native sons and could talk in terms of local understanding. From the doorsteps the path led to the kitchens, for the womenfolk with their intuition for opportunity, opened the doors and gave their support to the new ideas. Discussion clarified their problems and united the groups for action. Soon the skeleton ideas of Coady and Tompkins began to take on flesh and blood as they developed in the minds of the people and became their own. Discussion produced decision and decision demanded action. What was the decision and what the action of the group?

Middlemen

They were the men who went out to sea to catch the lobsters that sold as delicacies in the markets of Boston. However, before the lobsters reached the markets and demanded the high price that was easily given, there were the middlemen waiting at the wharves to collect the catches and hand the fishermen the few pennies which were quickly paid back for bread supplied by the company stores. There was never enough to come clear and debt at the company stores kept the fishermen and their families forever in bondage to the middlemen. They could not or thought they could not — fight for their rights. Action in their case meant bypassing the middlemen and reaching the market directly.

The challenge was taken. They had to reach the buyer in the Boston fish market. The telephone was there. One man was chosen to put the call through. Telephoning—much less placing a long distance call—was a new experience for him, and so much depended on the outcome. Alone he would never be able to do it. But he was not alone. His was the voice of the group. They stood around him as he made the deal to ship their lobsters directly to the buyer. His trembling hands, his shaking knees were their hands and

their knees, but his voice and his deal were also theirs. It was their liberation from bondage. This was the day and the event that changed the fortunes of the lobster fishermen of Nova Scotia. This was the day that proved that the common man had the power within himself to solve his own problems if given encouragement and knowledge of techniques for action. This was the day that the co-operative movement in the Maritime Provinces of Canada was born and what is known today as "The Antigonish Way" became the pattern for the people of the world to follow.

And so it was that the university went to the people, met them where they were and gave them the knowledge they were able to put to use, opening up to them the realization of their own individual dignity and respect for their fellow men. This was the heritage which they could pass on to future generations. In time the people found their way to the university — these common people, fishermen, farmers, miners, tradesmen, and in courses designed for their needs and given in the holiday seasons when the campus was free, they joined hands to help each other as brother to brother.

This was the programme of Adult Education for Socio-economic action which attracted men and women from all countries of the world and became a pattern for the future. It was the pattern that I knew would fit into the lives of the Korean people and nation as it had done for the people of the Canadian Maritime Provinces, and I left Korea in December, 1957, determined to exert every effort to introduce it when I would return to Korea in January, 1958.

The Credit Unions of Korea

Credit is the first step in co-operative economy. The rich can go to the banks and ask for thousands, but the poor man gets no hearing in the temples of finance. Yet the word credit means believing, trusting. However, it is not the man that is trusted but his good fortune. The problem of credit for the poor men of the world was taken to heart long before "The Antigonish Way" became pattern for co-operative action. The history of co-operation tells us about the Rochdale Pioneers of England who were the organizers of the

first consumers' co-operative and who laid down the principles which have become the universal guide lines for voluntary co-operative enterprise ever since then. In Germany it was the mayor of a small town who, seeing the plight of the farmers at the merciless hands of the loan sharks considered how they could be helped to solve their problems of credit and finally, together with the farmers, developed the system of accumulating savings through the practice of personal thrift and then loaning them to each other under specific regulations, with a very low interest which went into the common fund and increased the capital available for loans. This man, Frederick W. Raiffeisen, is known throughout the world because of his effort for the common people of his time.

In Canada it was Alphonse DesJardins, a prominent journalist of Levis, Quebec who started what was called the people's bank. In 1906, on the request of the French-Canadian settlers of Vermont in the United States, Desjardins visited their settlement and helped them to set up what was actually the first credit union in the United States. Not many years later Edward A. Filene, a millionaire merchant of Boston, Massachusetts, U.S.A., while travelling in Asia witnessed the operation of some credit societies which struck him as a possible method of solving some of the credit problems which he knew were besetting the lower and middle income groups in the United States. He put inspiration into action and in the course of the next few years he gave not only a personal fortune but personal dedication to the inauguration of what is now known as Credit Union International, Inc., formerly called Credit Union National Association (CUNA) with headquarters in Madison, Wisconsin. And so the good news of co-operative success spread from man to man, from village to village and around the world.

(To be continued)

What Kind of Economic System ?

(IX) A New Monetary System

J. M. JACKSON

THE last article in this series dealt with the working of the British monetary system as it exists at the present time. In the present article, I want to look more closely at the question of how the monetary system *ought* to function. We have seen that the banks not merely lend money that has been deposited with them but can by making loans create new money. Part of the deposits of the commercial banks represent money actually deposited with them: part, indeed the larger part of their "deposits" represents money which the banks have themselves created. We have seen, too, that the Bank of England has the power to exercise a measure of control over the activities of the commercial banks. It can, in various ways, restrict the cash holdings of these banks, and force them to expand or contract the volume of their deposits in accordance with the needs of the general economic situation.

There are, of course, a good many other financial institutions, which also play an important role in the economy. For the most part, these are concerned, in some way, with borrowing and lending. A building society, for example, receives deposits of cash from one set of people and lends to another set in order to enable them to buy houses. The important difference between these institutions and the banks is that they function as intermediaries. They re-lend money the public has lent them, whereas the banks actually create new money. From the standpoint of economic policy, the distinction need not be pressed too far. If the government wants to damp down economic activity, it will take steps to ensure that the banks lend less and curtail the total money supply. This should reduce the total demand for goods and

services in the country. On the other hand, there may, at any time, be a certain amount of money which people keep in idle balances. If this money can be mobilised by one of the non-bank institutions, it may help to maintain the level of demand when the banks are restricting their lending. Let us look at a simple illustration. Suppose a small businessman wants to make some innovation. A shopkeeper might want to modernise his shop or a farmer buy a new tractor or something of the sort. In the first instance, he might try to get a loan from his bank. If the loan is refused because of a restrictionist policy imposed by the authorities, and if nothing else happens, our shopkeeper or farmer will simply have to postpone the implementation of his plans. If, however, some neighbours have been putting their savings into a teapot but now decide that they would prefer to lend the money and earn a little interest the position may change. By lending to the farmer or shopkeeper, it will now be possible for the planned innovations to go forward.

It may not always be easy for a businessman to find friends or neighbours who have the necessary savings available. This is where the other financial institutions come into the picture: their purpose is really one of bringing borrowers and lenders together. By mobilising what would otherwise be idle cash balances, the level of demand associated with a given money supply may be increased. To some extent, the power of the authorities to control the level of economic activity through monetary policy may be reduced. However, we would not expect the lending habits of the public to change rapidly, so that the role of the non-bank institutions in frustrating monetary policy would be limited. In so far as they did manage to mobilise additional idle balances in times of monetary restriction, the task of the authorities would be made a little more difficult.

One must admit that monetary policy is, in any case, an imperfect weapon of economic control. There is a need to make some improvements in the techniques of monetary control. There are, however, other instruments of control available, such as budgetary policy and incomes policy. For the present, therefore, there is little need to look more closely

at the monetary system from the point of view of controlling the overall level of activity of the economy.

The charging of Interest

There are still people who seem to be worried about the supposed incompatibility between the charging of interest and what they believe to be the Church's condemnation of usury. The essential thing to remember in this context is that loans in the middle ages were mainly to people in distress, and that under such conditions the charging of interest would have been contrary to Christian charity. This is quite different from lending to businesses to enable them to expand their profit-making opportunities. Even if the teaching of St. Thomas did provide a theoretical basis for the condemnation of usury that appears to go further than the simple matter of Christian charity suggested above, the official condemnations did not endorse the Thomist theories. Moreover, St. Thomas himself suggested special factors which might justify a charging of interest, and under modern conditions one could assume that these existed whereas in the middle ages the onus of proof would have rested on the person charging interest to show that in the particular situation he was justified in doing so.

One may advance a variety of reasons why a person lending money is entitled to interest as a reward for doing so. He has, for example, parted with the use of his money for a period of time. Perhaps he could have used the money during that time in some productive enterprise of his own. He would therefore be entitled to some compensation for sacrificing this opportunity — one of the justifications recognised by St. Thomas. Where a person would not think of using the money in a business venture of his own, he could buy shares in a joint stock company. Even if a person would only have kept the money available for use in a possible emergency, there is a sacrifice involved in making a loan. If one lends money for, say, six months, one might find oneself faced with some situation where it would be useful to have cash available. One can not foresee all the situations where one may be faced with unexpected expense, or

perhaps the opportunity to make a purchase on favourable terms. A housewife might, for example, be planning to buy a new cooker sometime within the next twelve months. She may have a certain sum of money set aside for the purpose. If she lends that money for six months, she may find that within that period there is a sale and just the right cooker for her is offered at less than its normal price. Because she has made the loan, she is unable to buy and must wait until the loan is repaid, and then she will have to pay the full price. Surely this justifies the receipt of interest on the loan.

Interest on Bank Loans

The above type of argument may be readily accepted as justifying the charging of interest by an individual lender, or even an ordinary company. A company that made loans of any surplus cash it held would forgo the opportunity of using that cash if some emergency or favourable opportunity arose. In many ways, the corporate business enterprise is in much the same situation as the ordinary individual. In the case of a loan made by a bank, however, the position is different in so far as the bank lends not money it has acquired in the ordinary way. A man lends money he has saved out of his ordinary income; a manufacturing company may lend money it has acquired in the course of its normal trading operations: *but a bank lends by creating a net addition to the total supply of money.* The bank creates new money, and the question of charging a rate of interest on this newly created money is quite separate from the justification of interest in general.

Looking at the problem more closely, we can ask two separate questions. First, the general question of whether it is ever permissible for any charge of interest to be made on a bank loan, and secondly whether it can be legitimate for private enterprise to profit from the creation of new supplies of money. In other words, might it be legitimate for a nationalised bank to charge interest on its loans but not for a privately owned bank?

One clearly cannot justify a bank charging interest on a loan on the ground that it makes a sacrifice by lending its

newly created money. Nevertheless, the bank making the loan incurs certain costs. These arise both in connection with the making of the loan and in checking the credit-worthiness of the borrower. The bank is therefore entitled to make a charge to cover these costs and to permit a profit to be earned on the shareholders' capital invested in providing the necessary facilities. This justification clearly applies to both a nationalised banking institution and to a private enterprise bank.

A Comparison

At this point, it is necessary to make a simple comparison between the position of a bank making a loan and the operations of a non-bank institution. A building society may, for example, receive deposits from the public on which it pays something like 5 per cent interest and lends the money to house buyers at a higher rate, say 7 per cent. The margin of 2 per cent has to cover the various expenses incurred by the society in maintaining branch offices, discovering the credit-worthiness of would-be borrowers, surveying the properties would-be borrowers propose buying, and so on, as well as leaving a margin of profit.*

The bank, on the other hand, does not have to borrow the money it lends, or at least not the major part of it. The bank may receive perhaps 7 per cent (sometimes more, sometimes less according to the general level of interest rates) interest on newly created money which costs it nothing. The possibility arises, therefore, that the banks will be able to earn a very much higher level of profit from a given rate of interest than other financial institutions. This is not to say that banks necessarily make excessive profits. We must remember that making loans is only a part of the banks' function in the economy. It is possible to envisage a situation where there was a special institution which made loans and created additional supplies of money in the process but in which the existing banks received deposits and transferred

* A building society may be a non-profit making institution. Nevertheless, similar arguments apply to other institutions which may be lending for different purposes and which are certainly profit-making institutions.

these from account to account by cheque. It is very convenient to be able to make payments by cheque instead of having always to have cash available. With big payments, cash would be both inconvenient and also dangerous. Much of the capital of the banks is tied up in providing facilities to enable people to enjoy these benefits of the cheque system. We cannot easily tell how much capital equipment is necessary for this function and how much is required because the banks also make loans; nor can we say how the work of the staff is divided. The banks may make a modest rate of profit overall, but derive much of it from lending money of their own creation; and at the same time they may be making unrealistically low charges for the other facilities they provide.

In fact, there is a lot we do not know about the banking system. The suggestions thrown out above may be unfounded, but they are possibilities that somebody interested in the banking world ought to investigate. Certainly it seems possible that the rate of interest will be fixed by the Bank of England and Treasury at a level which is related to the general economic situation rather than to the costs of banking operations. An increase in the rate of interest in a period of economic restriction will not necessarily be accompanied by an increase in the costs of the banks. Their profits will tend to increase.

A Tentative Judgment

The argument so far has tended towards the view that it would be legitimate for some rate of interest to be charged on the loan of newly created money by banks, but that a rate of interest related to economic circumstances may give private enterprise banks an unduly high rate of profit.*

Clearly the rates charged by banks must be related to the general level of interest charges in the economy, and it is also clear that these levels should be controlled by the monetary authorities in the light of the general situation. If private enterprise banks are to be allowed to create money, it should

* The reverse argument does not apply. The banks will always charge something over Bank Rate (fixed by the Bank of England) but if Bank Rate falls very low the commercial banks may easily decide that there is some minimum rate below which they will not lower their own charges.

be done under conditions which make it impossible for them to make an excessive profit in the process.

If loans of newly-created money could only be made by, say, the Bank of England, the position would be rather different. The excess profit would accrue to the nation and could be regarded as a means of taxation. From the borrowers' point of view the process would be perfectly fair. There is no reason why they should expect to be able to borrow on more favourable terms from a bank than from any other source.

A State Monopoly ?

What attitude should we adopt towards the possibility of a state monopoly of banking ? This would certainly seem to be one answer to the problem of ensuring that an excessive profit was not made from the lending of newly created money. It might also be argued that it is unreasonable to separate the lending and general banking functions. There could be economies of scale of many kinds. The number of separate branches would be greatly reduced, for a start. Nevertheless, there would be dangers.

At the present time, the government controls over the commercial banks have been increasing. The use of such devices as instructions about the amount to be lent and the type of client to be given credit can be very important in securing the required degree of control over the general functioning of the economy. But if there were a single state bank, there would be a serious danger. At present, the individual bank, and to a large extent the individual manager, is free to decide how such instructions will be carried out. A bank manager will decide for himself how much of the available credit will be given to a particular client who comes within the class of customer entitled to a loan. With a measure of competition existing between banks, a credit-worthy customer is unlikely to be refused a loan (though it may have to be limited in amount) unless he is in a general class that the government says should not be given finance (e.g. the government may say that no overdrafts should be permitted to shopkeepers or the owners of bingo halls). With

a state banking monopoly, there would be a very real danger that the individual enterprise might be refused loan facilities because it had fallen foul of the government or the state bank. There is all the difference in the world between a government ruling that credit should be given to manufacturers and particularly those with a good export record and denied to the service industries catering for the home consumer and a refusal to give credit to a particular enterprise or individual.

What kind of System ?

This is not the place to give all the details of an ideal monetary system. A very brief sketch must suffice. I would suggest that the role of credit creation (that is, making loans of new bank money) should be confined to the Bank of England. It need not make these loans to individuals or business enterprises as was suggested at one point above. A more realistic approach might be to allow the Bank of England to lend the money it creates to the commercial banks and to charge them an appropriate rate of interest, and for the commercial banks then to be in a position to re-lend to its customers. They would naturally charge a rate of interest that gave them an adequate margin to cover costs and allow a reasonable net profit.

Is there an essential difference between the humanist and the Christian approach to social problems? How do non-Christians receive faith hope and charity? We receive them in baptism. Is a Catholic allowed to be a donor for a heart transplant? What is "grace of state", or "grace of office"?

Any Questions ?

WILLIAM LAWSON, S.J.

Is there an essential difference between the humanist and the Christian approach to social problems ?

Yes, and there are accidental differences as well.

The main difference is the duration within which each must achieve success or confess to failure. For the humanist there is only time; for the Christian there is eternity. Belief in God and immortality is considered by non-believers to be the great weakness of Christians dealing with the problems of people. It deprives them of a sense of urgency, because they do not feel that *now* is the acceptable time; and it enables them to push their responsibility onto God. Hence the jibe about Christians promising the hungry their fill of pie in the sky. The humanist, in contrast, is obliged by his principles to meet people's needs at once, while they are alive, and before they cease to exist. The job depends entirely on him, and he gets on with it, not looking for other-worldly solutions which would allow him to work in a more leisurely way, counting his temporal failures as eternal successes.

Catholics can take some blame for too easily accepting human ills as inevitable and not always making whole-hearted efforts to remove them; but the humanist hope in the ultimate perfectability of human nature without the help of God is contrary to all our experience; and if social problems are

going to emerge endlessly in the human situation it is the Christian and not the humanist judgment which makes sense as a basis for hope, and for the courage and serenity which flow from hope. For millions of people there will be no solution in time of their problems of poverty and pain. Humanism, if it cannot give food and health, has nothing to offer to the spirit either. Christianity can teach the attainment of perfection even out of death.

**We receive faith, hope and charity in baptism.
How do non-Christians receive them ?**

In the same way that they receive grace, supernatural life, baptism of desire. Those come from Christ, who is our sole Redeemer. How they come cannot be stated, as they are not received by the means — sacrament of Baptism — made available by Christ in His Church. In such "members" of Christ there can be no general pattern of renunciation of Satan and of conversion to Christ; nor can there be a description of faith, hope and charity which, in general, will apply to them all. In Christians there is belief in Christ as the Son of God, the Second Person of the Trinity, which is promised in Christ's resurrection, and love of God and of people in the power of the Holy Spirit. That union with Christ has not been achieved by non-Christians; yet some of them, we suppose, have received supernatural life. They may be supposed, also, to have received faith, hope and charity, which are said to be bestowed on Christians in sacramental baptism, where those gifts belong not to the sacrament but to the sanctifying grace which it brings to the soul.

Do those non-Christians receive some inferior form of the theological virtues ? There is no such inferior form. What they are given is what is given to the baptised—that illumination of the mind and strengthening of the will with which God is to be known and loved. But in baptised and unbaptised alike the powers have to be exercised in providential circumstances which include personality, upbringing, education and human history. The powers are there, to

be exercised as fully as may be; but their exercise may be limited by God's Providence.

Is a Catholic allowed to be a donor for a heart transplant ?

I wrote in a previous Answer, that I could see no moral objection to a heart transplant. If that is a sound judgement, it covers not only the performance of the operation but also the acceptance by a patient of the heart and its donation by the original owner.

In that statement, I supposed that no immoralities were present in the circumstances. As you may have noticed in the national Press, the ethical question is exercising the minds of the general public and of legislators and doctors. To whom does a heart belong ? In life, to the person for whom it beats; but in death ? Up to now we have supposed that a testator had the decisive voice in the disposal of his own remains — he could, for example, leave his body to a hospital for dissection. Failing directions from him, his next of kin could decide, and could give or withhold permission for a post-mortem. Now there is a suggestion, which seems to me an insufferable invasion of private property, that bodies, with their hearts and kidneys, should be State-controlled.

There is an obvious difference between donations carried out after death and those accomplished while the donor lives. I doubt if the donation of a kidney is morally justifiable, as it puts the donor into grave risk of death. To take the heart from a living donor would be indefensible; but to be of service it has to be taken as soon after death as possible, so that there is a strong temptation to sacrifice donor for the sake of the recipient. (Both kidneys were taken from a woman in Sweden who was said to be "morally", but not physically, dead !) It is for medical men to say when death takes place and what are its certain signs; but one element in their judgement must be an acknowledgement of the sacredness of life.

What is "grace of state", or "grace of office"?

Is there a grace, for people in jobs, that is special and particular enough to deserve a title all to itself? The sacraments of Holy Orders and Matrimony carry with them a sacramental grace proper to the state of life of the ordained and the married; but there is no other "grace of state" that I know of. As for "grace of office", how is it supposed to differ from the help which divine providence makes available for any human being? A claim is sometimes made for superiors in religious orders that they have a "grace of state" which is over and above God's universal assistance. They certainly need abundant grace to live their Christian life under the great burden of responsibility they must bear; and God will not fail them. But there is no need to invoke an entity with its private theological name. Superiors might then be tempted to suppose that they enjoyed, in the matter of grace, a privileged position, and were somehow supernaturally superior to their subjects, or that their authority was exercised under some peculiar guidance giving it a tinge of infallibility.

A grace of state, as in marriage, is not inevitably effective. Like all the grace of God, who deals delicately with the freedom of his human creatures, it needs to be admitted and used by the person. Anyone's salvific accomplishment of duty needs a union with God in the prayer of faith, hope and charity. The grace which superiors require for their serious duties is available for them; but they must choose to make use of it, and, even when they use it, they have no guarantee of being right or successful.

One part of a superior's grace should be the prayers for him of those he has to govern.

Why has the tabernacle been removed from the high altar in some churches?

Not knowing the churches to which you refer, I cannot answer the question; nor can I get your answer to the question "Does high altar mean just the altar table or the whole

space where the altar table is the centre ? ”

The Blessed Sacrament is not really reserved on the high altar of cathedrals but is in a special Blessed Sacrament chapel. That is to give the faithful peace and quiet for their worship, especially when cathedrals are of historical or architectural interest and crowds pass to and fro inspecting the high altar. It also simplifies episcopal ceremonies, making them more reverential and intelligible — too many genuflections detract from the action of the Mass.

Many churches now have Mass facing the people, so that they can more easily and fully participate in the sacrifice. That practice may become general as a growing number of people find that it makes the Mass theirs as it never was before. Where the main altar is flat against the wall of the church or against a great reredos, a movable altar has to be used in front of the solid masonry of the old altar where the tabernacle is. Some bishops think that the saying of Mass by a priest with his back to the tabernacle is unseemly, and it has therefore been removed in some churches to a side altar. Where the only altar is of the simple table kind it cannot hold the tabernacle which would, at the side of the altar away from the people, compel the priest to say Mass with his back to them, or, at the other side, obscure their view. It all seems reasonable and devout.

No one will doubt that the developing countries are in great need of investment capital and will be for many years to come. Investment capital comes from two sources, public and private. In this series of five articles Father J. F. Maxwell, a priest-economist, examines private investment in its relationship to overseas development needs. His first article deals with the advantages and disadvantages of private investment in the underdeveloped world.

Private Investment and Overseas Investment

I: For and Against

J. F. MAXWELL

THE flow of long-term financial resources to developing countries includes, firstly, official aid — that is, bilateral and multilateral aid from governments — and, secondly, private capital. The total net flow of all forms of private capital includes export credits, portfolio investments, private lending, as well as direct private investment. In the 9 years 1956 to 1964 this flow of private capital from all the industrialised countries to all the developing countries averaged about \$3.0 billion a year.

Here we are only concerned with direct private investment. This averaged about \$1.8 billion a year over the same period. (1)

“Developing countries” are here defined to comprise all countries in Asia, Africa (other than Republic of South

(1) Calculated from statistics provided by Mr. Hellmuth Führer, Head of OECD Financial Policies Division, in an article in *The OECD Observer*, Sept. 1966, entitled, “The Role of Private Investment in Economic Development”.

Africa), and Latin America, as well as Greece, Turkey and Spain.

The major sources of this direct private investment were the U.S.A. (44 per cent), France (20 per cent), Germany and Italy (5 per cent each). Of this annual average of \$1.8 billion of direct private investment in the developing countries, about \$1.2 billion, two thirds, was accounted for by new investment outflow, the remainder \$0.6 billion, one third, was reinvested earnings. This direct private investment does not necessarily take the form of transfer of funds. Much of it consists of export of plant and equipment from the parent companies to their branches or subsidiaries in the developing countries, as well as the transfer of valuable patents, licences, etc. Most of such investment involves the setting up or expansion of factories and sales organisations in developing countries.

The total net flow of direct private investment from the U.K. to the developing countries averaged \$188 million a year between 1961 and 1964. Of this \$106 million was new investment outflow, and \$82 million was reinvested profits. (2)

Flow of Investment Income back Again

According to Mr. Hellmuth Führer, Head of the Financial Policies Division of the Organisation for Economic Co-operation and development (OECD):

“Data on investment income are scanty and must be interpreted with great caution. It has been estimated that current investment income from less developed countries on all outstanding foreign assets amounts to roughly \$4 to 5 billion a year. About 10 to 20 per cent of this income is reinvested. Repatriated income is thus quite high in relation to total new current capital flows to less-developed countries. In fact, in 1964, total investment income has exceeded aggregate new capital outflows.

However, this comparison is likely to give a mislead-

(2) U.K. Balance of Payments 1966, H.M.S.O. Table 31, page 34, (converted to U.S. Dollars).

ing impression of the financial costs and benefits derived from foreign private investment by the receipt of less-developed countries. . . . A comparison of current investment income and current new investment is not particularly meaningful as the investment income is being earned on the total foreign capital stock accumulated over a large number of years. . . ." (3)

In a written parliamentary reply dated February 1st, 1967, Mr. Callaghan, the Chancellor of the Exchequer, gave the following figures for British private investment in developing countries:

(i) Book value of net assets at end of 1963: £1,339 million.

(ii) Earnings (including re-invested earnings) on U.K. investment in 1964: £137 million.

So the average rate of return in 1964 was 10 per cent. (4)

Benefit Received by Developing Countries

It is obviously not possible to quantify exactly in monetary terms all the benefits received by a developing country in terms of technical education and training and raising the standard of living of the local population. As Mr. Hellmuth Führer writes:

"The net import of private foreign investment could only be established by a detailed analysis of the contribution of the activities of private foreign capital to the production, wages and salaries, public revenue, exports and imports, etc., of the host country.

In many less developed countries private foreign investment has contributed to the productive use of resources which would otherwise have been idle; and foreign-owned companies constitute major generators of income, tax revenue, and foreign exchange. It is clear, nevertheless, that private foreign capital is not necessarily a cheap source of external finance, especially in comparison with the interest rates currently charged

(3) Hellmuth Führer, *op. cit.*, page 42.

(4) Hansard, Feb. 2nd, 1967.

on inter-governmental loans. . . .” (5)

However, for reasons which will shortly become clear, it is surely a pity that apparently little effort has been made by the statisticians of the industrialised countries, as well as by statisticians of the OECD and the United Nations and other international agencies, to quantify some at least of these benefits, and publicise the results. Such matters as payments for land and for local supplies of fuel and raw metals, payments of wages and salaries to the local permanent residents, and payments of local taxes and tariffs, are all matters which can be easily quantified. But it is very rare to find adequate reference to these benefits to the developing countries in any of the countless volumes of published statistics. This is truly astonishing. For, obviously, in the early years of direct private investment from abroad, the government of a developing country will be gratified by existing published statistics showing the large volume of inflow of capital resources. In later years, when the outflowing income from past foreign investment is perhaps twice as large as the inflow of new investment, the government of the developing country may be tempted to nationalise or expropriate the assets which generate this outflowing income unless a clear statistical picture can be shown of the much larger financial and other benefits which the developing country is receiving by way of local purchases, local wages and salaries, fiscal revenue and technical training.

Here is just one short reference, in the text of a United Nations publication, to the local payments made by direct private investors in Latin America in 1955 :

“ Local payments by U.S.-controlled enterprises operating in Latin America totalled \$3.9 billion in 1955, including \$1.8 billion for [local] materials and equipment, \$1 billion in wages, and \$1.1 billion in local taxes; reported earnings of U.S. direct investments in Latin America in the same year were \$870 million, of which \$192 million were retained for investment.” (6)

And here are the comments on this subject by the economist,

(5) *Loc. cit.*, p. 42.

(6) *The International Flow of Private Capital, 1956-1958*; United Nations, IT. 29-30.

Professor Sir William Arthur Lewis:

"The role of direct foreign investment in economic development is usually misconceived, both by those who dislike it, and by those who support it. The case for foreign investment is that it provides foreign exchange, raises domestic income, and increases domestic skills. Domestic income increases because the undertaking pays wages and salaries to local people, buys local supplies, and pays local taxes; and these payments not only increase consumption, thereby stimulating local production, but also make it possible to have larger local savings, and also to spend on schools, medical services, and other permanent improvements.

If the choice is between local capital and foreign capital, the advantage may lie with the former, but if, as is more often the case, the choice lies between foreign capital or leaving resources undeveloped, then there is little doubt that foreign investment plays a most useful role in providing income to pay for higher standards of consumption, of education, and of domestic investment." (7)

Mr. F. Taylor Ostrander, Assistant Chairman of American Metal Climax, Inc., rates this role of provider of tax revenue for a developing country in Africa as a vital one:

" It should be easier to teach how efficient it is for the local tax collector to collect his revenues by taxation of corporate profits. In underdeveloped areas which have the good fortune to have important large-scale enterprises based on foreign capital, I believe it correct to say that there can be no equal to the efficiency with which taxes can be collected from them. This role as super-efficient tax collector may seem an odd one to the American capitalist, but he has won his role by sterling achievements here in the United States and he has not a few achievements already to his credit overseas.

(7) Professor Sir William Arthur Lewis, *The Theory of Economic Growth*; Allen and Unwin, 8th impression 1965; p. 258.

In short, that very capitalistic essence, high profits resulting from an efficiently managed investment, can yield the greatest returns to the host country not only in making the most efficient use of its resources but also in providing an efficient and simple means by which an important portion of those profits can be transferred over to the host country through a modern system of corporate income taxation. Efficiency is the key word on both sides of this equation." (8)

Among the benefits which cannot be completely quantified in monetary terms is that of education and technical training.

In the past, the directors of the parent companies investing in developing countries have evidently not always had the long term vision to see that it would pay them to invest in the education and technical training of the local population of these countries. There is obvious difficulty if any trained personnel is not tied to the company but is free to seek a higher remuneration elsewhere. But in the long term, the experience of many companies has shown that there is even a financial incentive to engage in such investment, since the enormous benefits of such education and training to the local population redound to the benefit of the company. Here are the views of three economists on this important question:

First, Professor Sir William Lewis:

"Potentially more important than the foreigner's contribution of capital is his contribution of skill. In most countries at a low level of development it is the foreigner who brings new techniques, and it is the spread of these new techniques among the people which carries development along. For this reason many countries have gone out of their way in the past to invite foreigners to come in and establish new industries. The country does not get the greatest benefit if the foreigners keep the secrets of their craft to themselves, and therefore admission of foreigners may be accompanied by a requirement that the newcomers must train local people. In these days

(8) F. Taylor Ostrander, Assistant to the Chairman, American Metal Climax Inc. Talk to American Association for Advancement of Science, New York City, Dec. 29th, 1960, "Some Factors Influencing Large-scale Investment in Africa", pp. 10-13.

the most important craft which foreigners possess is the technique of managing large undertakings. Most other crafts can be learned in technical colleges or universities, but business management can be learned only in the practice of managing businesses, so if the foreigners refuse to employ the indigenous people in managerial positions, where they may acquire experience, the foreigners may acquire and retain a stranglehold over the economy. This is why so many countries in these days pass legislation requiring foreign businesses to employ at least a certain percentage of indigenous persons in supervisory jobs. . . .” (9)

Secondly, here is Mr. Hellmuth Führer who compares the number of technical and managerial personnel introduced into developing countries as a result of direct private investment with the number of technical experts recently introduced by governmental bilateral aid projects. The preponderant influence which foreign companies *could* have upon the technical and managerial training of the developing peoples cannot be made more plain:

“The immediate benefit of the participation by overseas investors is that the problem of obtaining the organisational and technical knowledge for the process is often taken up for solution by the foreign investor. Managerial and technical staff familiar with the process and the product will be available from the start. It has been estimated that the technical and managerial personnel employed as a result of foreign direct investment in developing countries amounted to about 100,000 people in 1962. This compares with roughly 40,000 experts (excluding teachers) financed by the bilateral official technical assistance programmes of OECD countries.

. It seems to have been realised to an increasing extent by investing companies that it is in their interest to recruit and train local staff because of the advantages this can bring in the daily contacts in the country concerned, and also because of the difficulty and expense

(9) *Op. Cit.*, page 258.

of maintaining a large expatriate staff. . . . A number of foreign enterprises in developing countries have established training programmes which go considerably beyond their own staff requirements." (10)

The importance and magnitude of this task cannot be overestimated in view of the fact that, according to UNESCO, in the whole world today about seven persons in eight of all ages, and about three in five between the ages of 5 and 20, receive no schooling whatever. Furthermore, the merits and advantages, the techniques and methods of the industrial system of private enterprise can surely only be appreciated by the local people of developing countries if they themselves are trained in time to become private enterprisers, managers and directors. The art and science of industrial management are learned, surely, mainly by experience. The indigenous populations of developing countries are more likely to be converted to the system of private enterprise, if a sufficient number of them are given opportunities of receiving managerial training and experience, than if they are permanently excluded from all but the lowest rungs of the ladder of industrial promotion.

And thirdly, here is a quotation from Ragnar Nurkse:

"When we consider Japan's experience we see that there was practically no direct foreign investment in the early stages. Japan, nevertheless, got the technology and the know-how by hiring foreign technicians and by sending her own people abroad to learn and to observe. Capital and technology are closely related, but this does not mean that they must be jointly supplied." (11).

Disadvantages of Private Investment

Quoting Mr. Hellmuth Führer again:

"In outlining these positive advantages of direct foreign investment, it must be pointed out that there are also disadvantages. This is particularly true where, as on certain occasions in the past, the investment is on such a scale as to dominate the economic and even the

(10) Hellmuth Führer, *loc. cit.*, page 43.

(11) Ragnar Nurkse; *Problems of Capital Formation in Underdeveloped Countries*, p. 89.

political life of the country. Some less-developed countries have found themselves in a position in which a single foreign company or group of investors has exerted a degree of control throughout the whole country which would be unthinkable in an industrialised country with a larger capital stock." (12).

The predominant ownership and control of the corporate sector of the economy of a developing country by the companies of an industrialised country has been given the name of "economic imperialism" or "neo-colonialism". It is one of the facts of economic life in almost all developing countries which have not got a centrally planned economy. It is something which they have inherited as a consequence of past years of direct private foreign investment. Mr. Arthur Gaitskell, a member of the Board of the Commonwealth Development Corporation, describes the situation of the developing countries of Africa in the following words:

"Historically, economic development in Africa has been built up by outsiders, and local Africans have had a separate subsistence way of life, or merely formed the lower labour force in the economy. Estates, plantations, mines, processing plants, industries, banks, insurance and import and export trade owe their origin to people whom Africans regard as foreigners from other continents. Although in recent times local Africans have begun to participate in monetary crops, and through marketing corporation to have a share in the economy, it is still broadly true that at the date of political independence the economy appears to be owned and controlled by other races, and orientated to the benefit of the outsider. However much these others may feel a legitimate credit for starting an economy at all, this unbalanced situation engenders a very real feeling of continuing resentment at the sense of still being subordinated in much of the profitable production and trade in one's own country. The feeling lies behind much of the cry of 'neo-colonialism', which is apt to puzzle and annoy us when political independence has

(12) Hellmuth Führer, *loc. cit.*, page 43.

already been granted. The resentment may be directed against the continuing commercial permeation of other races or against a repetition of subordination to new expatriate business investment. Both suggest exploitation in the interests of outsiders rather than nation-building by controlling one's own economic destiny, and it seems probable that there will be no real contentment psychologically until the degree of local and national economic enterprise reaches the stage when nobody really minds whether a business is foreign-owned or not. It is a resentment which we should be perfectly able to understand, because, under infinitely less subordinate circumstances, Canadians, French and British have felt it against American investment. . . . It is also, of course, a resentment which is typical of most developing countries." (13)

(13) Arthur Gaitskell, member of Board of Commonwealth Development Corporation, article "Making the Best of Capital Risk in Developing Countries," republished in *Investment and Development* by Overseas Development Institute; 1965, p. 39.

(To be continued)

Book Reviews

CONGO COMMANDERS

Soldiering for Peace by Carl von Horn; Cassell, 50s; pp. 372. **Congo Mercenary** by Mike Hoare; Robert Hale, 35s; pp. 318.

I FOUND a world of difference between these two books. Whereas General von Horn's account of his soldiering with UNO is not merely stuffy, but stuffed with frustration, Colonel Mike Hoare's exciting narrative of his brief but brilliant Congo campaigns carried me along at a great pace. I found it increasingly difficult to pick up the General's ponderous and uninspiring account of UNO soldering. Hoare's book I could hardly put down.

The comparison is a trifle unfair. Frustration was endemic in von Horn's terms of reference. He was in the service of nations in theory united, in practice divided in this sense, that few of the governments that sent contingents of troops to the Congo did so from motives that were wholly disinterested. The result was pressures and tension which militated against effective action. Hence, the sense of frustration which dogged the endeavours of General von Horn to bring peace to that unhappy country. The General was thrown into a whirlpool with one arm strapped behind his back. This, I fear, is the fate which awaits every UNO commander so long as the United Nations remain disunited when it comes to contentious issues. Little real difference would be made were UNO to provide itself with a permanent professional General Staff and, in member countries, troops permanently on call. The effectiveness of such a force would be impaired so long as governments themselves remained divided over contentious issues. This is what those who call from time to time for an international police force always fail to realise. If Korea is cited in contradiction of this, as an example of effective international action, the right answer, surely, is that, though fought under the auspices of the United Nations, it was, in effect, a joint action fought

by Britain and the United States, with the latter bearing the major share of the whole enterprise. Britain, in fact, carried just enough weight to enable her Prime Minister, Mr. Attlee, to persuade the American President to hold back General MacArthur from carrying the war into Chinese territory; an action, in the opinion of some, which put paid to any possibility of bringing the war to an effective conclusion in favour of the United Nations, to say nothing of the people of Korea themselves. As for those of the United States, it could be argued that, as a result of Attlee's persuasiveness, they stand liable to bombardment in the early nineteen-seventies by Communist China's intercontinental ballistic missiles. Looking back at the opportunity that came and went with Korea Americans could hardly be blamed if they wished now that General MacArthur had been allowed then to go it alone. He probably would have done so if America, in Korea, had been without Allies. In the event, she had just enough of them to hold her back from what some thought of at the time and still think of now as the right action in the right place at the right time. The nations of the world are not geared to the point where international action carries any degree of effectiveness in contentious issues. On the contrary, as General von Horn found to his cost in the Congo, joint action is a deterrent to effective operations. In the end, he had something of a breakdown and left the Congo a sick man. I don't wonder. It was not the Congo that broke him, but the disunited nations of the United Nations that sent him there to keep the peace.

One returns to the point that General von Horn's pages are those of a frustrated man, not because he personally was at fault, but because he commanded the forces of an international organization, which cannot yet be used for the effective settlement of major contentious issues because the nations supplying those forces are not, in fact, united. Despite the semblance of internationalism covering their operations, national interests still predominate. It is this that constantly inhibits those in charge of United Nations troops and impedes effective action.

Colonel Hoare suffered from no such inhibitions. He felt

frustrated, especially at the outset of his first campaign whose high point was the capture of Stanleyville from the rebellious Simbas, a brilliant action whose final stages were carried out with great dash as part of a combined operation with Belgian para-commandos. Initially for Hoare, there were the usual difficulties to be overcome in the matter of equipment and arms, food and pay. But they were not much greater, I imagine, than those which attended the first stages of specialised units in the last war. Most soldiers take them for granted. Many become adept at exercising pressure on authority to get what they want in the right place at the right time. Hoare was certainly one of these. He knew what he wanted and he got it. Moreover, he possessed two further advantages unknown to the world of poor General von Horn. Hoare knew what he was aiming at, on the whole, he was left free to aim. He ran his own show. General von Horn tried to run someone else's. The General was sent to the Congo by the United Nations. Colonel Hoare was called to it by Prime Minister Tshombe, given orders to raise mercenary troops and, with them under his command, to crush the Simba rebellion.

It is important to be clear on this point. During the period described so vividly in his excellent book, Colonel Hoare was in the service of the Government of the Congo under the man who was then its legitimate Prime Minister, Moise Tshombe. In answer to that call he came to Leopoldville in July, 1964. He left the Congo with an effusive letter of thanks from General Mobutu in his pocket at the end of November, 1965. His book covers this period of time. During it, Hoare and his men of 5 Commando, recruited mostly from Rhodesia and South Africa with a sprinkling of English and other nationalities, fought for pay in the same way that the Gurkhas in the British Army have always fought for pay. The main difference between the two is that Hoare and his men received from Tshombe very much higher pay than any Gurkha has ever received or will receive from any British Government and that, whereas Hoare had to start from scratch so to say, the Gurkha recruit enters a decades-old tradition which soon takes him to itself. He

finds an *esprit de corps* ready made. Hoare had to make one. He faced initial problems, therefore, which modern Gurkha commanders have never had to face. Moreover Hoare had to face these problems three times because he dealt, during his eighteen months in the Congo, with three fresh intakes of troops, each signing up for a single period of six months. Had it not been for the very few old stagers who signed on again each time, for Hoare's keen eye when it came to picking out the likely few from new recruits and for what can best be described as his genius for command, it is difficult to see how 5 Commando would have been much more than the undisciplined mob which a hostile western press immediately did its best to make out of it. In fact under Colonel Hoare's leadership, 5 Commando became very soon a first-class, well-disciplined fighting machine possessed of tremendous spirit and dash. It should be emphasized, at this point, that I am speaking only of 5 Commando from the time of its formation in the early Autumn of 1964 until Hoare handed over his command at the end of November 1965. I am not concerned here with other mercenary formations that have been and are fighting in the Congo for or against its legitimate Government. This review-article deals only with 5 Commando during the time Colonel Hoare commanded it.

Its formation represented an act of great political courage on the part of Premier Tshombe. The Congo at the time was caught in the Mulele rebellion. The name will mean little to many readers. Suffice it to say that Mulele was a former Lumumba Minister who had since done training in Peking then used witchcraft and liberal supplies of dope to raise rebellion. He found plenty of recruits — many very young — amongst the uprooted and unemployed. His movement assumed threatening dimensions. In its course unspeakable and wanton cruelties were commonplace. It carried terror wherever it went, for its members claimed to be impervious to bullets and they went into battle skin-clad and doped with great staring eyes and the cry of "Mai Mulele" on their lips. It was enough to send the Congolese National Army bolting into the bush; then vengeance was taken in dreadful

fashion on innocent villagers. The movement's stronghold was Stanleyville in the Congo's Eastern Province. There a butcher reigned supreme and thousands were done to terrible death beneath the city's Lumumba memorial, bloody victims tossed daily to a modern Moloch. The killing at first was selective, showing proof, thereby, of communist influence. If more were needed we could point to Chinese and Russian arms flowing to the Simbas in great quantities through the Sudan, Uganda and Tanzania. In his last campaign, Hoare's men were up against Congolese trained by Castroite Cubans, who fought well at first under their direction (it was round about this time that Che Guevara was rumoured to be in the Congo), then cracked when they had gone. Though Hoare does not mention it, I have relatively certain proof of Chinese instructors present with the Simbas at the second stage of his struggle with the rebels, when he was flushing them clean from the borders of Uganda and the Sudan.

Such, briefly, was the situation with which Hoare was called upon to deal. How well he dealt with it is shown in his book. It is a very good book, well written, in no way boastful, extremely honest. I liked it and, as I read it, I felt great liking for the man who wrote it. One thing is quite clear from its pages. Without the brilliant and brave fighting of 5 Commando the Congo might now be a Communist State. In any event, it would certainly be in an even more horrible condition than it is at the moment, though this, in all conscience, is bad enough.

One admires greatly the moral courage of Moise Tshombe in calling on white mercenaries to fight for him. It was done in the full knowledge that he would incur thereby the hatred of member States of the Organization of African Unity. This proved to be the case. How many other African rulers would have had the courage to take a similar course under like circumstances I do not know. We owe a debt to Tshombe for taking it and to Hoare for responding so promptly to his call. Had he not done so and then fought so well, the Congo would have suffered just about the worst fate that could overtake any country. In proof of this one need only read the pages of this book. It is well to be quite clear on this

point. Hoare and his men saved the country as, I am quite sure, the United Nations could never have done. This is the truth of the matter and it is with truth, not fiction, that I am here concerned.

At the moment of writing, the Prime Minister who called on Hoare to save his country is in an Algiers gaol under threat of extradition and death. And the members of 5 Commando who fought with Hoare are still reviled as layabouts and scum by western liberals and their African friends. Progressive hands are raised in pious horror at their memory and the crocodile tears come streaming down. Meanwhile, the butchers of Stanleyville who hacked their own people to pieces and, in some cases, tore from them and consumed their living flesh, are conveniently forgotten.

It is greatly to the discredit of our world that so false a view should prevail. We may feel certain, however, that when history passes final judgment on those bloody years in the Congo, today's false verdict will be irrevocably reversed.

Paul Crane, S.J.